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FitchRatings

European Bank for Reconstruction and Development

Key Rating Drivers

SCP Drives Rating: European Bank for Reconstruction and Development's (EBRD) ratings reflect its Standalone Credit Profile (SCP) of 'aaa' driven by its liquidity and solvency assessments of 'aaa'. The latter balances the bank's 'Excellent' capitalisation and 'Low' risk profile. Thanks to well-managed capital buffers, EBRD has absorbed significant losses in relation to the Russia-Ukraine war, while still maintaining 'Excellent' capital ratios. We expect EBRD to maintain solvency metrics consistent with a 'aaa' assessment over the medium term.

Prudent Provisioning Against Ukraine War: EBRD reported a net loss of EUR2.2 billion in 1H22 (2021: EUR2.5 billion net profit). The loss was driven by a EUR1.4 billion revaluation of equity investments based in Russia, Ukraine and Belarus, and a EUR1.4 billion increase in expected credit loss reserves against loans based in those countries (driven by a EUR1.2 billion post model adjustment to impairment models). Fitch Ratings expects this prudent approach to reduce the risk of significant further losses arising from the Russia-Ukraine war.

Excellent Capitalisation: The overall capitalisation assessment remains 'Excellent' considering Fitch's usable capital/risk-weighted assets (FRA) ratio of 39% at end-1H22 (end-2021: 40%) and an equity/assets ratio of 26% at end-1H22 (end-2021: 28%). After the deterioration linked to the Russia-Ukraine war, we expect the two ratios to remain above our 'Excellent' thresholds of 35% and 25%, respectively, over the medium term. Our forecasts assume EBRD returns to profitability in 2023 and prudent management of the bank's leverage.

Rising Credit Risks: The weighted average rating of loans and guarantees is unchanged at 'B+'. The share of loan exposures in countries with a Negative Outlook rose to 32% at end-1H22 from 11% at end-1H21 reflecting worsening macroeconomic conditions. We expect the average rating of loans to weaken but to remain at 'B+'. The non-performing loan (NPL) ratio increased to 6.6% in 1H22 (2021: 4.9%), mainly due to the war, but we expect it to remain above 6%.

Increased Ukraine Exposure: EBRD has committed up to EUR3 billion investment in Ukraine in 2022 and 2023. Recognising the heightened risk level in Ukraine, new investments will benefit from shareholder guarantees covering 50% on average. Exposure to Ukraine net of shareholder guarantees remains significant at EUR2 billion at end-3Q22, but is covered by a EUR1.1 billion loss provision. In 3Q22, 28% of loans to Ukrainian counterparties were NPLs. A potential marked increase in Ukrainian NPLs is a downside risk to EBRD's risk profile.

Excellent Liquidity and Market Access: EBRD's coverage of short-term debt by liquid assets was 2.7x at end-1H22. EBRD operates with a higher level of treasury assets (48% of total assets at end-1H22) than comparable peers and this weighs positively on our liquidity assessment. The quality of treasury assets is 'Strong', with the share of treasury assets rated 'AAA'-'AA' at 58% at end-1H22. We expect the liquidity ratio to remain above the 1.5x 'Excellent' threshold but to weaken due to EBRD's reduced borrowing plans. EBRD has 'Excellent' access to capital markets.

Rating Sensitivities

Weaker Capitalisation, Higher Risks: A decline in capitalisation metrics with an equity/assets ratio sustained at a level below 25% or an FRA ratio below 35%. This would affect our 'excellent' capitalisation assessment. This could be driven by further losses, faster-than expected growth, or a significant increase in FRA. A decline in the average rating of loans and guarantees below 'B+'. An NPL ratio markedly above 6% over the medium term, leading to significant additional credit losses relative to what the bank has already provisioned.

Weaker Liquidity: A decline in the liquidity ratio to a level below 150%, which would affect our 'Excellent' liquidity assessment.

Ratings

Long-Term IDR	AAA
Short-Term IDR	F1+

Outlook

Long-Term IDR	Stable

Financial Data

European Bank for Reconstruction and Development

	Jun 22	Dec 21
Total assets (EURbn)	73	75
Equity/assets (%)	26	28
Fitch's usable capital/risk-weighted assets (%)	39	40
Average rating of loans & guarantees (after PCS)	BB-	BB-
Impaired loans (% of total loans)	6.6	4.9
Five largest exposures/total exposure (%)	11	11
Share of non-sovereign exposure (%)	83	85
Net income/equity (%)	-11.5	13.1
Average rating of key shareholders	AA-	AA-

Source: Fitch Ratings, EBRD

Applicable Criteria

Supranational Rating Criteria (April 2022)

Related Research

Global Supranational Outlook 2023 (December 2022)

War, Sanctions Test MDBs' Supranational and Preferred Creditor Status (November 2022)

Understanding Callable Capital (November 2022)

Supranationals Dashboard: High and Stable Ratings, Growing Asset Class (October 2022)

Supranationals, Subnationals and Agencies Handbook (July 2022)

Strong Capital Ratios Support MDBs' Ratings (April 2022)

Supranationals Would Feel Stagflation Scenario Impact Via Asset Quality (April 2022)

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Business Environment

EBRD is a multilateral development bank (MDB) established in 1991, with a mandate to provide financing to the economies of central and eastern Europe, and the Commonwealth of Independent States (CIS). It has also been expanding its operations in Mongolia (in 2006), Turkiye (in 2009) and the southern and eastern Mediterranean (SEMED) region (in 2012). In 2014, EBRD engaged in the disbursement of financing to Greece and Cyprus, albeit on a temporary basis until 2020. In December 2018, the bank's Board of Governors approved the extension its mandate in Greece to 2025. In 2014, it halted all new investments in Russia, then the largest receipt of EBRD's resources, following directives of its shareholders. EBRD stopped approving new public-sector projects in Belarus in 2020, new private-sector commitments in 2021, and disbursements for existing commitments in April 2022.

The bank is based in London and has more than 40 offices worldwide. As a supranational institution, it is exempt from direct taxes and benefits from immunities and privileges in its member countries. Fitch considers EBRD's business environment as 'Medium' risk, an assessment that combines its 'Medium' risk business profile and 'Medium' risk operating environment, and does not include any upward rating adjustment over the bank's solvency and liquidity assessments.

Business Profile

The 'Medium' risk business profile mainly reflects the factors outlined below.

Fitch considers the size of the banking portfolio as a 'Low' risk reflecting EBRD's total banking exposure of EUR36 billion, exceeding the USD30 billion threshold outlined in the criteria.

EBRD's quality of governance is considered a 'Low' risk. The bank's governing body is the board of governors, which includes a representative from each shareholder. It retains overarching responsibility for the bank, including changes in capital structure, the admission or suspension of member countries, and the approval of financial statements. The Board of Governors non-executive supervisory responsibility to the Board of Directors and day to day management to the Executive Committee, both of which bodies are led by the President. Fitch expects the bank to preserve its long-standing culture of conservative risk management and underwriting.

In our view, risks associated with the strategy followed by EBRD are 'Medium' reflecting the share of its exposures to countries with a medium credit quality and given the political risk in some of its countries of operation, such as Turkiye and the SEMED region, and the heightened level of risk in Ukraine. These risks are in part offset by EBRD's conservative risk management policies, including prudent underwriting and reserving practices, as well as large capital buffers.

Fitch assesses the involvement of EBRD in private-sector financing as 'High' risk, reflecting non-sovereign exposures amounting to 83% of EBRD's total banking exposure at end-1H22.

The importance of the public mandate is considered a 'Low' risk. EBRD's policy response to the war in Ukraine and the Covid-19 crisis provided evidence of its role as a counter-cyclical lender and highlighted its institutional importance within its countries of operations and for its shareholders.

Operating Environment

Fitch assesses EBRD's operating environment as 'Medium' risk, considering the credit quality, political risk and business climate of the countries in which it operates. At purchasing power parity, Fitch estimates that per-capita income in EBRD's countries of operations was about USD9,900 at end-April 2022.

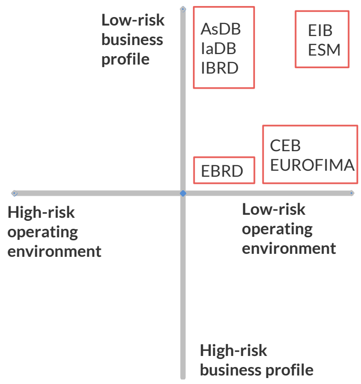
Our assessment factors in the low-risk operating environment in the UK, where the bank is headquartered. In addition, the bank benefits from a very high level of operational support provided by member states' authorities, as evidenced by the fact that loan repayment has been protected against foreign currency controls and general moratoria.

Standalone Credit Profile

Indicative value	Assessment
Solvency	aaa
Liquidity	aaa
Business environment	Zero notches
Standalone Credit Profile	aaa

Source: Fitch Ratings

Business Environment: Peer Comparison



AsDB: Asian Dvt. Bank; CEB: Council of Europe Dvt. Bank.; EBRD: European Bank for Reconstruction and Dvt.; ESM: European Stability Mechanism; IaDB: Inter American Dvt. Bank; IBRD: International Bank for Reconstruction and Dvt.
Source: Fitch Ratings

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Solvency

EBRD's 'aaa' solvency is driven by the bank's 'Excellent' capitalisation and 'Low' risk profile.

Capitalisation

The 'Excellent' assessment of capitalisation is driven by the 'Excellent' FRA and equity/asset ratios.

EBRD's equity/asset ratio remained 'Excellent' but weakened in 1H22 to 25% from 28% at end-21 (1H21: 27%) as a consequence of reduced equity following the bank's net loss in 1H22. The bank's FRA ratio was more stable at 39% at end-1H22 (end-2021: 40%) reflecting the reduced equity exposure, which is charged with 250% risk weight in the calculation of the ratio, following EBRD's revaluation of its Russian, Ukrainian and Belarussian equity investments. After the deterioration linked to the war in Ukraine, we expect the two ratios to remain above our 'Excellent' thresholds of 35% and 25%, respectively, over the medium term. Fitch's forecasts assume EBRD returns to profitability in 2023 and prudent management of the bank's leverage.

The bank reported a net loss of EUR2.2 billion in 1H22 (2021: EUR2.5 billion net profit). The loss was driven by a EUR1.4 billion revaluation of equity investments based in Russia, Ukraine and Belarus, and a EUR1.4 billion increase in its expected credit loss reserve against loans based in those countries (driven by a EUR1.2 billion post model adjustment to impairment models). Fitch expects this prudent approach to reduce the risk of significant further losses arising from the Russia-Ukraine war and EBRD to return to profitability in 2023.

Peer Comparison: Capital Ratios and Profitability

	EBRD		AsDB (AAA)	IDB Invest (AAA)	IsDB (AAA)
(%)	End-1H22	Projection[a]	End-2021	End-3Q21	End-2021
Equity/adjusted assets	26	26-28	27	29	37
Usable capital/ FRA	39	36-42	44	44	43
Net income/average equity	-11.5	2.5-5.0	1.4	6.0	1.1

AsDb – Asian Development Bank. IDB Invest – Inter-American Investment Corporation. IsDB – Islamic Development Bank
[a] Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

Risks

Fitch assesses the overall risk profile of the bank as 'Low'. The assessment reflects these factors.

The average rating of loans and guarantees before preferred creditor status (PCS) was 'B+' at end-1H22, unchanged from the previous year. The share of loan exposures in countries with a Negative Outlook increased to 32% of the total at end-1H22 from 11% at end-1H21. This reflects the worsening macroeconomic conditions in the bank's countries of operations. Overall, we expect the average rating of loans to weaken but to remain at 'B+' over the forecast horizon.

EBRD benefits from 'Moderate' PCS given the limited size of its sovereign exposures (17% of the total banking portfolio at end-1H22) and various episodes when the bank benefited from preferred creditor treatment, including when it was excluded from the debt restructuring of a Ukrainian government-related bank in 2015. The default by the Belarusian sovereign (0.3% of total banking exposure at end-1H22) in 2022 was the first sovereign default of the bank's history. EBRD also benefits from a preferred creditor status on its non-sovereign exposure with its charter protecting loan repayments against foreign currency embargo. The PCS adjustment provides a one-notch uplift to the average rating of the loans to 'BB-'.

The NPL ratio, increased to 6.6% in 1H22 from 4.9% in 2021, primarily due to the impact of the Russia-Ukraine war. We expect the NPL ratio to remain above, but close to, 6% owing to the increased exposure to Ukraine as well as global economic uncertainties. EBRD has committed an envelope of up to EUR3 billion new investments in Ukraine in 2022 and 2023, reflecting the strong commitment from its shareholders to support the country. In recognition of the heightened level of risk in Ukraine, the EUR3 billion envelope of new investments will benefit from guarantees by shareholders covering 50% on average.

Risks Assessment

Indicative value	Risk level
Credit	Moderate
Concentration	Very Low
Equity risk	Moderate
Market risks	Very Low
Risk mgmt policies	Excellent

Source: Fitch Ratings

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Nevertheless, EBRD's exposure to the country net of shareholder guarantees remains significant, at EUR2.0 billion or 5.5% of the bank's total banking exposure at end-3Q22. On top of the guarantees, the Ukrainian credit exposure is covered by a EUR1.1 billion loss provision. In 3Q22, 28% of loans to Ukrainian counterparties were non-performing. A potential marked increase in Ukrainian NPLs is a vulnerability to EBRD's risk profile.

Concentration risk is very low, in our view, with the five largest banking exposures accounting for 11% of the total at end-1H22. We expect a moderate increase to around 14% over the forecast horizon reflecting the increased exposure to Ukraine.

Equity risk is 'Moderate', reflecting equity participations amounting to 13% of EBRD's total banking exposure at end-1H22 (end-2021: 16%), which is higher than for most regional MDBs. The decrease in 1H22 mainly reflects a EUR1.4 billion revaluation of equity investments based in Russia, Ukraine and Belarus.

Market risks are 'Very Low'. Exposure to interest-rate and foreign-exchange risks is hedged through derivatives. Currency and interest-rate features of assets and liabilities are broadly aligned, with only small deviations allowed.

EBRD's risk management policies are assessed as 'Excellent' primarily based on the bank's track record of prudent risk management. EBRD's self-calculated gearing ratio was well below its prudential maximum of 92%, at 79% at end-1H22. EBRD's Basel III-derived liquidity guidelines are very conservative: while the bank must maintain a minimum of 75% of its next two years' cash requirements, this coverage reached 181% at end-1H22. EBRD also monitors credit rating agency metrics and the bank's policies and day-to-day management is informed by such metrics, given EBRD's intention to maintain its 'AAA' rating.

Peer Comparison: Risks

	EBRD		AsDB	IDB Invest	IsDB
	End-1H22	Projection[a]	End-2021	End-3Q21	End-2021
Estimated average rating of loans & guarantees (after PCS)	BB-	BB-	BBB+	BB-	BB-
Impaired loans/gross loans (%)	6.6	5.5-6.5	0.2	0.7	5.0
Five largest exposures/total loans (%)	11	12-16	53	10	32
Equity stakes/(loans + equity stakes) (%)	13	8-12	1	5	7

[a] Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

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Liquidity

Peer Comparison: Liquidity

	EBRD		AsDB	IDB Invest	IsDB
	End-1H22	Projection[a]	End-2021	End-3Q21	End-2021
Liquid asset/short-term debt (x)	2.7	1.8-2.0	1.5	1.9	3.1
Share of treasury assets rated 'AA-' & above (%)	58	55-65	60	92	4

[a] Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

Liquidity Assessment

Indicative value	Risk level
Liquidity buffer	Excellent
Quality of treasury assets	Strong
Access to cap markets & alternate liquidity sources	Excellent

Source: Fitch Ratings

EBRD's 'aaa' liquidity assessment reflects its 'Excellent' liquidity buffers, 'Strong' credit quality of its treasury portfolio and its 'Excellent' access to capital markets.

Liquidity Buffer

Fitch estimates that 98% of EBRD's treasury assets (EUR35 billion at end-1H22) were investment-grade. The bank's coverage of its short-term debt by liquid assets is substantially in excess of the 1.5x threshold for an assessment as 'Excellent', at 2.7x at end-1H22. Fitch expects the liquidity ratio to remain above the 1.5x 'Excellent' threshold but to weaken as a consequence of EBRD's reduced borrowing plans, which will reduce the overall amount of treasury assets.

Quality of Treasury Assets

At end-1H22, the share of treasury assets rated 'AA-' and above amounted to 58%, highlighting the bank's conservative investment management. When considering the robustness of its liquidity buffer and treasury assets credit quality, EBRD's liquidity profile is in line with other 'AAA' rated institutions.

The average rating of treasury assets was 'AA-' at end-1H22, and 72% had a maturity of less than one year.

Access to Capital Markets and Alternative Sources of Liquidity

The access to capital markets or alternative sources of liquidity is considered by Fitch to be 'Excellent'. The bank raised EUR12 billion in 2021 and 2020. In 2022, EBRD's borrowing programme was EUR10 billion, but the bank only borrowed around EUR7 billion reflecting its excellent liquidity position. It has issued bonds in euros, sterling, US dollars and other currencies.

The bonds issued by EBRD are eligible for 0% risk-weight and Level 1 high-quality liquid assets for the liquidity coverage ratio calculation under the Basel framework.

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Shareholders' Support

Our assessment of members' extraordinary support is 'aa-' which results in no rating uplift to EBRD's SCP.

Peer Comparison: Shareholder Support

	EBRD		AsDB	IDB Invest	IsDB
	End-1H22	Projection[a]	End-2021	End-3Q21	End-2021
Coverage of net debt by callable capital	AA-	A	A	not covered	AA-
Average rating of key shareholders	AA-	AA-	A+	BBB	BB
Propensity to support	Strong (+0)	Strong (+0)	Strong (+0)	Strong (+0)	Strong (+0)

[a] Medium-term projection
Source: Fitch Ratings, MDBs

Capacity to Provide Extraordinary Support

The bank's members' capacity to support is 'aa-' based on the WARKS – the US (AAA/Stable, 10.1% shareholding), France (AA/Negative), Germany, (AAA/Stable), Italy (BBB/Stable), Japan (A/Stable) and the UK (AA-/Negative), each with a 8.6% shareholding. The WARKS would remain 'AA-' if both France and the UK were downgraded by one notch.

EBRD's callable capital (EUR23.5 billion) does not exceed the bank's total debt (EUR47.8 billion at end-1H22). However, taking into account eligible treasury assets rated at least 'A' reduces net debt to EUR14.5 billion. At end-1H22, EBRD's net debt was covered by its callable capital rated at least 'AA-'. However, this coverage is expected to reduce to 'A' over the forecast period.

Propensity to Provide Extraordinary Support

Fitch views EBRD member states' propensity to provide support as 'Strong', given the important role played by EBRD in the financing of the private sector and for certain sovereigns.

EBRD's role in providing support to Ukraine and the guarantees from its member countries to mitigate the increase in risk highlight EBRD's policy importance for its shareholders. EBRD is the only MDB not to have received an injection of paid-in capital over the past 25 years, which compares negatively with other 'AAA'-rated peers. This can be explained by historically strong profitability that has supported internal capital generation.

The 'Strong' support propensity means that the support capacity and the overall support rating are equalised (no notching up or down), translating into a support rating of 'AA-'.

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FitchRatings

European Bank for Reconstruction and Development

Supranational ESG Navigator
Supranational

Credit-Relevant ESG Derivation

European Bank for Reconstruction and Development has 2 ESG rating drivers and 5 ESG potential rating drivers

- European Bank for Reconstruction and Development has exposure to social pressure to provide support at times of crisis which, in combination with other factors, impacts the rating.
- European Bank for Reconstruction and Development has exposure to lack of supervision by an external authority and is not subject to banking regulation which, in combination with other factors, impacts the rating.
- European Bank for Reconstruction and Development has exposure to borrowers with limited access to external funding sources and/or extend concessional loans but this has very low impact on the rating.
- European Bank for Reconstruction and Development has exposure to risk around the execution/predictability of its strategy but this has very low impact on the rating.
- European Bank for Reconstruction and Development has exposure to board independence and effectiveness, ownership composition but this has very low impact on the rating.
- European Bank for Reconstruction and Development has exposure to quality of financial reporting and medium-term financial forecasts but this has very low impact on the rating.

Showing top 6 issues

			Overall ESG Scale
key driver	0	issues	5
driver	2	issues	4
potential driver	5	issues	3
not a rating driver	2	issues	2
	6	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events and climate change on assets and corresponding risk appetite and management	Asset Quality; Risk Management	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	3	Lending to borrowers with limited or no access to other external sources of finance; extension of concessional loans or grants; credit protection schemes	Importance of the Public Mandate; Credit Risk; Propensity to Support	5
Privacy & Data Security	1	n.a.	n.a.	4
Labour Relations & Practices	2	Restriction on recruitment based on nationality and quotas	Governance	3
Employee Well-being	1	n.a.	n.a.	2
Exposure to Social Impacts	4	Counter-cyclical mandate and development role; social pressure to provide support at times of crisis	Credit Risk; NPLs; Capitalisation; Strategy	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy (Operational Execution)	3	Lack of predictability and/or risk around the execution of strategy	Business Profile; Strategy; Governance	5
Governance Structure	3	Board independence and effectiveness, ownership composition, degree of political or external influence, control of one member state over the management of the institution	Business Profile; Strategy; Governance	4
Rule of Law, Institutional & Regulatory Quality	4	Supranationals are neither subject to bank regulation nor supervised by an external authority; all supranationals attract a score of '4'	Risk Management Policies; Governance	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes, detail and scope of information, medium-term financial forecasts	Minimum Data Requirement	2
Policy Status and Mandate Effectiveness	3	Inherent obligor risk concentration; effectiveness of preferred creditor status; access to liquidity support from central bank	Concentration; Credit Risk; Access to Central Bank Refinancing	1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

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Appendix A: Balance Sheet

European Bank for Reconstruction and Development

	30 Jun 22		31 Dec 21		31 Dec 20	
	6 months - interim (EURm) original	As % of assets original	Year end (EURm) original	As % of assets original	Year end (EURm) original	As % of assets original
A. Loans						
1. To/guaranteed by sovereigns	5,968	8.1	5,583	7.4	5,133	7.4
2. To/guaranteed by public institutions	n.a.	-	n.a.	-	n.a.	-
3. To/guaranteed by private sector	23,803	32.5	24,107	32.3	23,482	33.7
4. Trade financing loans (memo)	n.a.	-	n.a.	-	830	1.2
5. Other loans	n.a.	-	n.a.	-	n.a.	-
6. Loan loss reserves (deducted)	2,161	2.9	963	1.3	1,141	1.6
A. Loans, total	**27,610**	**37.7**	**28,727**	**38.4**	**27,474**	**39.4**
B. Other earning assets						
1. Deposits with banks	24,006	32.8	22,619	30.3	18,690	26.8
2. Securities held for sale & trading	808	1.1	1,050	1.4	1,741	2.5
3. Investment debt securities (including other investments)	10,075	13.8	10,304	13.8	11,243	16.1
4. Equity investments	4,499	6.1	6,141	8.2	4,977	7.1
5. Derivatives (including fair-value of guarantees)	5,208	7.1	4,960	6.6	5,030	7.2
B. Other earning assets, total	**44,596**	**60.9**	**45,074**	**60.3**	**41,681**	**59.7**
C. Total earning assets (A+B)	**72,206**	**98.5**	**73,801**	**98.7**	**69,155**	**99.1**
D. Fixed assets	**559**	**0.8**	**502**	**0.7**	**173**	**0.2**
E. Non-earning assets						
1. Cash and due from banks	n.a.	-	n.a.	-	n.a.	-
2. Other	505	0.7	470	0.6	444	0.6
F. Total assets	**73,270**	**100.0**	**74,773**	**100.0**	**69,772**	**100.0**
G. Short-term funding						
1. Bank borrowings (< 1 year)	752	1.0	1,000	1.3	1,353	1.9
2. Securities issues (< 1 year)	n.a.	-	14,690	19.6	14,165	20.3
3. Other (including deposits)	n.a.	-	n.a.	-	n.a.	-
G. Short-term funding, total	**752**	**1.0**	**15,690**	**21.0**	**15,518**	**22.2**
H. Other funding						
1. Bank borrowings (> 1 year)	n.a.	-	n.a.	-	n.a.	-
2. Other borrowings (including securities issues)	47,838	65.3	34,436	46.1	32,761	47.0
3. Subordinated debt	n.a.	-	n.a.	-	n.a.	-
4. Hybrid capital	n.a.	-	n.a.	-	n.a.	-
H. Other funding, total	**47,838**	**65.3**	**34,436**	**46.1**	**32,761**	**47.0**
I. Other (non-interest bearing)						
1. Derivatives (including fair value of guarantees)	5,896	8.0	3,133	4.2	2,733	3.9
2. Fair value portion of debt	n.a.	-	n.a.	-	n.a.	-
3. Other (non-interest bearing)	1,219	1.7	1,169	1.6	869	1.2
I. Other (non-interest bearing), total	**7,115**	**9.7**	**4,302**	**5.8**	**3,602**	**5.2**
J. General provisions & reserves	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
L. Equity						
1. Preference shares	n.a.	-	n.a.	-	n.a.	-
2. Subscribed capital	29,759	40.6	29,759	39.8	29,755	42.6
3. Callable capital	-23,542	-32.1	-23,542	-31.5	-23,538	-33.7

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European Bank for Reconstruction and Development

	30 Jun 22		31 Dec 21		31 Dec 20	
	6 months - interim (EURm) original	As % of assets original	Year end (EURm) original	As % of assets original	Year end (EURm) original	As % of assets original
4. Arrears/advances on capital	0	0.0	0	0.0	0	0.0
5. Paid in capital (memo)	6,217	8.5	6,217	8.3	6,217	8.9
6. Reserves (including net income for the year)	11,405	15.6	14,085	18.8	11,592	16.6
7. Fair-value revaluation reserve	-57	-0.1	43	0.1	82	0.1
K. Equity, total	**17,565**	**24.0**	**20,345**	**27.2**	**17,891**	**25.6**
M. Total liabilities & equity	**73,270**	**100.0**	**74,773**	**100.0**	**69,772**	**100.0**

Source: Fitch Ratings, Fitch Solutions, EBRD

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Appendix B: Income Statement

European Bank for Reconstruction and Development

	30 Jun 22		31 Dec 21		31 Dec 20	
	6 months - interim (EURm) original	As % of earning assets	Year end (EURm) original	As % of earning assets	Year end (EURm) original	As % of earning assets
1. Interest received	826	2.3	1,264	1.7	1,267	1.8
2. Interest paid	423	1.2	381	0.5	503	0.7
3. Net interest revenue (1. - 2.)	**403**	**1.1**	**883**	**1.2**	**764**	**1.1**
4. Other operating income	-1,225	-3.4	1,867	2.5	508	0.7
5. Other income	-75	-0.2	62	0.1	-37	-0.1
6. Personnel expenses	n.a.	-	309	0.4	324	0.5
7. Other non-interest expenses	254	0.7	165	0.2	142	0.2
8. Impairment charge	1,381	3.9	-161	-0.2	478	0.7
9. Other provisions	29	0.1	-3	-0.0	1	0.0
10. Pre-derivative operating profit (3. + 4. + 5.) - (6. + 7. + 8. + 9.)	**-2,591**	**-7.2**	**2,502**	**3.4**	**290**	**0.4**
11. Net gains/(losses) on non-trading derivative instruments	405	1.1	n.a.	-	n.a.	-
12. Post-derivative operating profit (10. + 11.)	**-2,186**	**-6.1**	**2,502**	**3.4**	**290**	**0.4**
13. Other income and expenses	n.a.	-	-80	-0.1	-115	-0.2
14. Net income (12. + 13.)	**-2,186**	**-6.1**	**2,422**	**3.3**	**175**	**0.3**
15. Fair value revaluations recognised in equity	-593	-1.7	32	0.0	-114	-0.2
16. Fitch's comprehensive net income (14. + 15.)	**-2,779**	**-7.8**	**2,454**	**3.3**	**61**	**0.1**

Source: Fitch Ratings, Fitch Solutions, EBRD

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Appendix C: Ratio Analysis

European Bank for Reconstruction and Development

(%)	30 Jun 22 6 months – interim Original	31 Dec 21 Year end Original	31 Dec 20 Year end Original
I. Profitability level			
1. Net income/equity (average)	-11.5	13.1	1.6
2. Net income/total assets (average)	-2.9	3.4	0.4
4. Cost/income ratio	-30	17	37
II. Capital adequacy			
1. Net total banking exposure (excluding letters of credit)/subscribed capital + reserves	83	83	82
2. Equity/adjusted total assets	26	28	27
3. Equity/adjusted total assets + guarantees	25	28	26
4. Paid-in capital/subscribed capital	21	21	21
5. Internal capital generation after distributions	-14.7	12.8	0.3
6. Usable capital/risk-weighted assets (FRA ratio)	39	40	39
III. Liquidity			
1. Liquid assets/short-term debt	273	216	203
2. Treasury assets/total assets	48	45	45
3. Treasury assets investment grade + eligible non-investment grade/total assets	47	45	44
4. Unimpaired trade financing loans/total assets	0.8	1.1	1.2
5. Liquid assets/total assets	47	45	44
6. Liquid assets/undisbursed loans & equity	230	210	209
IV. Asset quality			
1. Impaired loans/gross loans	6.6	4.9	5.6
2. Loan loss reserves/gross loans	7.3	3.2	4.0
3. Total reserves/gross loans, equity investment & guarantees	6.0	2.6	3.2
4. Loan loss reserves/impaired loans	110	66	71
V. Leverage			
1. Debt/equity	272	246	270
2. Debt/subscribed capital + reserves	118	114	117
3. Debt/callable capital	206	213	205
4. Net income + interest paid/interest paid	-417	736	135

Source: Fitch Ratings

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Appendix D: Annex

European Bank for Reconstruction and Development

	30 Jun 22 (EURm) original	31 Dec 21 (EURm) original	31 Dec 20 (EURm) original
1. Lending operations			
1. Loans outstanding	29,771	29,690	28,615
2. Approved loans	2,769	7,792	8,429
3. Disbursed loans	3,268	6,783	7,034
4. Loan repayments	2,558	5,658	5,613
5. Net disbursements	710	1,125	1,421
Memo: Loans to sovereigns	5,955	5,524	5,133
Memo: Loans to non-sovereigns	23,816	24,166	23,482
2. Other banking operations			
1. Equity participations	4,365	6,010	4,872
2. Guarantees (off balance sheet)	1,873	1,661	1,581
Memo: Guarantees to sovereigns	0	0	0
Memo: Guarantees to non-sovereigns	1,873	1,661	1,581
3. Total banking exposure (balance sheet and off balance sheet)			
1. Total banking exposure (loans + equity participations + guarantees (off balance sheet))	36,009.0	37,361.0	35,067.0
2. Growth in total banking exposure	-3.6	6.6	5.4
Memo: Non-sovereign exposure	30,188.0	31,968.0	30,040.0
Memo: Letters of credit and other off-balance-sheet credit commitments (not included in total banking exposure)	n.a.	n.a.	n.a.
4. Support			
1. Share of 'AAA'/'AA' shareholders in callable capital	64	64	64
2. Rating of callable capital ensuring full coverage of net debt	AA-	A	BBB
3. Weighted average rating of key shareholders	AA-	AA-	AA-
5. Breakdown of banking portfolio			
1. Loans to sovereigns/total banking exposure	16	15	15
2. Loans to non-sovereigns total banking exposure	66	64	67
3. Equity participation/total banking exposure	12	16	14
4. Guarantees covering sovereign risks/total banking exposure	0	0	0
5. Guarantees covering non-sovereign risks/total banking exposure	5	4	4
Memo: Non-sovereign exposure (2. + 3. + 5.)/total banking exposure	83	85	85
6. Concentration measures			
1. Largest exposure	1,149	1,245	1,133
2. Five largest exposures	4,065	4,261	4,122
3. Largest exposure/equity (%)	7	6	6
4. Five largest exposures/equity (%)	23	21	23
5. Largest exposure/total banking exposure (%)	3	3	3
6. Five largest exposures/total banking exposure (%)	11	11	12
7. Credit risk			
1. Average rating of loans & guarantees (after PCS)	BB-	BB-	BB-
4. Share of treasury assets rated 'AAA'-'AA'	58	60	55
5. Average rating of treasury assets	AA-	AA-	AA-
8. Liquidity			
1. Treasury assets	34,889	33,973	31,674
2. Treasury assets of which investment grade + eligible non-investment grade	34,343	33,338	30,969

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European Bank for Reconstruction and Development

	30 Jun 22 (EURm) original	31 Dec 21 (EURm) original	31 Dec 20 (EURm) original
1. Lending operations			
3. Unimpaired short-term trade financing loans	567	802	830
4. Unimpaired short-term trade financing loans - discounted 40%	340	481	498
5. Liquid assets (2. + 4.)	34,683	33,819	31,467

Source: Fitch Ratings, Fitch Solutions, EBRD

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